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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

VF3-6-03

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3/7/2003**ANNUAL AUDITED REPORT
FORM X-17A-5
PART III**

SEC FILE NUMBER
8- 53506

FACING PAGE

**Information Required of Brokers and Dealers Pursuant to Section 17 of the
Securities Exchange Act of 1934 and Rule 17a-5 Thereunder**REPORT FOR THE PERIOD BEGINNING January 1, 2002 AND ENDING December 31, 2002
MM/DD/YY MM/DD/YY**A. REGISTRANT IDENTIFICATION**NAME OF BROKER-DEALER: Lafise Securities Corporation

ADDRESS OF PRINCIPAL PLACE OF BUSINESS: (Do not use P.O. Box No.)

701 Brickell Avenue, Suite 1460

(No. and Street)

Miami, Florida 33131

(City)

(State)

PROCESSED

MAR 21 2003

THOMSON
FINANCIAL

NAME AND TELEPHONE NUMBER OF PERSON TO CONTACT IN REGARD TO THIS REPORT

LUISA FRANCHY(305) 374-6001

(Area Code - Telephone Number)

B. ACCOUNTANT IDENTIFICATION

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report*

Goldstein Schechter Price Lucas Horwitz & Co., P.A.

(Name - if individual, state last, first, middle name)

2121 Ponce de Leon Blvd., Suite 1100, Coral Gables, Florida 33134

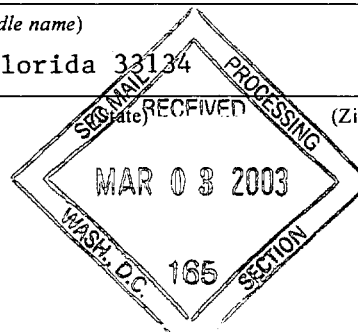
(Address)

(City)

(Zip Code)

CHECK ONE:

- ☒ Certified Public Accountant
☐ Public Accountant
☐ Accountant not resident in United States or any of its possessions.

**FOR OFFICIAL USE ONLY**

*Claims for exemption from the requirement that the annual report be covered by the opinion of an independent public accountant must be supported by a statement of facts and circumstances relied on as the basis for the exemption. See Section 240.17a-5(e)(2)

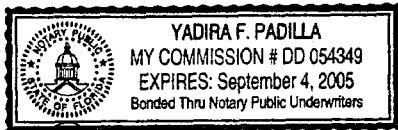
SEC 1410 (06-02)

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information contained in this form are not required to respond
unless the form displays a currently valid OMB control number.

B3/20

OATH OR AFFIRMATION

I, LUISA FRANCHY, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of Lafise Securities Corporation, as of December 31, 20 02, are true and correct. I further swear (or affirm) that neither the company nor any partner, proprietor, principal officer or director has any proprietary interest in any account classified solely as that of a customer, except as follows:



Yadilla-
Notary Public

[Signature]
Signature
CFO
Title

This report ** contains (check all applicable boxes):

- ☒ (a) Facing Page.
- ☒ (b) Statement of Financial Condition.
- ☒ (c) Statement of Income (Loss).
- ☒ (d) Statement of ~~Changes in Financial Condition~~ Cash Flows
- ☒ (e) Statement of Changes in Stockholders' Equity or Partners' or Sole Proprietors' Capital.
- ☐ (f) Statement of Changes in Liabilities Subordinated to Claims of Creditors.
- ☒ (g) Computation of Net Capital.
- ☐ (h) Computation for Determination of Reserve Requirements Pursuant to Rule 15c3-3.
- ☐ (i) Information Relating to the Possession or Control Requirements Under Rule 15c3-3.
- ☐ (j) A Reconciliation, including appropriate explanation of the Computation of Net Capital Under Rule 15c3-3 and the Computation for Determination of the Reserve Requirements Under Exhibit A of Rule 15c3-3.
- ☐ (k) A Reconciliation between the audited and unaudited Statements of Financial Condition with respect to methods of consolidation.
- ☒ (l) An Oath or Affirmation.
- ☐ (m) A copy of the SIPC Supplemental Report.
- ☐ (n) A report describing any material inadequacies found to exist or found to have existed since the date of the previous audit.
- ☒ (o) Independent Auditors' Report on internal accounting controls

**For conditions of confidential treatment of certain portions of this filing, see section 240.17a-5(e)(3).

LAFISE SECURITIES CORPORATION
STATEMENT OF FINANCIAL CONDITION
DECEMBER 31, 2002



Goldstein Schechter Price Lucas Horwitz & Co., P.A.

Certified Public Accountants & Consultants

Vincent Carrodegua, CPA
Lawrence C. Elmer, CPA
Zvi Gold, CPA
Michael B. Goldstein, CPA
Sanford B. Horwitz, CPA
Alan Kirzner, CPA
Howard B. Lucas, CPA
Jerome T. Price, CPA
J. Jerry Schechter, CPA
Saul H. Silverman, CPA
Salomon Wainberg, CPA
Jeffrey L. Weiss, CPA
Allan P. Wilson, CPA

February 20, 2003

Board of Directors
Lafise Securities Corporation

INDEPENDENT AUDITOR'S REPORT

We have audited the accompanying statement of financial condition of Lafise Securities Corporation (the "Company") as of December 31, 2002 and the related statements of operations, changes in stockholders' equity and cash flows for the year then ended that you are filing pursuant to rule 17a-5 under the Securities Exchange Act of 1934. The financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Lafise Securities Corporation at December 31, 2002, and the results of its operations and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Goldstein Schechter Price Lucas Horwitz

GOLDSTEIN SCHECHTER PRICE LUCAS HORWITZ & CO., P.A.

**LAFISE SECURITIES CORPORATION
STATEMENT OF FINANCIAL CONDITION
DECEMBER 31, 2002**

ASSETS

Cash	\$ 9,770
Cash deposits with clearing organization	25,123
Equipment, less accumulated depreciation of \$105	418
Other assets	<u>3,057</u>
TOTAL ASSETS	<u><u>\$ 38,368</u></u>

LIABILITIES AND STOCKHOLDERS' EQUITY

LIABILITIES:

Accounts payable	\$ <u>811</u>
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STOCKHOLDERS' EQUITY:

Common stock; \$1 par value, authorized, 1,000,000 shares, issued 77,778 shares	77,778
Additional paid-in capital	4,222
Accumulated deficit	<u>(44,443)</u>
Total Stockholders' Equity	<u>37,557</u>

TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	<u><u>\$ 38,368</u></u>
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**LAFISE SECURITIES CORPORATION
STATEMENT OF OPERATIONS
FOR THE YEAR ENDED DECEMBER 31, 2002**

REVENUES:

Commissions	\$ 5
Interest income	<u>219</u>
Total Revenue	<u>224</u>

EXPENSES:

General and administrative	41,127
Depreciation	105
Other expenses	<u>61</u>
Total Expenses	<u>41,293</u>

NET LOSS

\$ (41,069)

LAFISE SECURITIES CORPORATION
STATEMENT OF CHANGES IN STOCKHOLDERS' EQUITY
FOR THE YEAR ENDED DECEMBER 31, 2002

	<u>Shares</u>	<u>Amount</u>	<u>Additional Paid-in Capital</u>	<u>Accumulated Deficit</u>	<u>Total Stockholders' Equity</u>
Balances at January 1, 2002	70,000	\$70,000	\$ -	(\$3,374)	\$66,626
Net loss				(41,069)	(41,069)
Issuance of common shares	<u>7,778</u>	<u>7,778</u>	<u>4,222</u>	<u>-</u>	<u>12,000</u>
Balance at December 31, 2002	<u><u>77,778</u></u>	<u><u>\$77,778</u></u>	<u><u>\$4,222</u></u>	<u><u>(\$44,443)</u></u>	<u><u>\$37,557</u></u>

LAFISE SECURITIES CORPORATION
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2002

CASH FLOWS FROM OPERATING ACTIVITIES:

Net loss	\$ (41,069)
Adjustments to reconcile net loss to net cash used in operating assets and liabilities:	
Depreciation	105
Cash deposits with clearing organizations	(25,123)
Other assets	2,558
Accounts payable	800
Total Adjustments	<u>(21,660)</u>

NET CASH USED IN OPERATING ACTIVITIES (62,729)

CASH FLOWS FROM INVESTING ACTIVITIES:

Purchase of equipment	<u>(523)</u>
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CASH FLOWS FROM FINANCING ACTIVITIES:

Decrease in payable to related company	(460)
Proceeds from issuance of common stock	<u>12,000</u>
Net Cash Provided by Financing Activities	<u>11,540</u>

DECREASE IN CASH (51,712)

CASH:

Beginning of year	<u>61,482</u>
End of year	<u>\$ 9,770</u>

SUPPLEMENTAL CASH FLOWS DISCLOSURES:

Interest payments	<u>\$ 12</u>
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**LAFISE SECURITIES CORPORATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2002**

NOTE 1 - ORGANIZATION AND NATURE OF BUSINESS

Lafise Securities Corporation (the "Company") is a broker-dealer registered with the Securities and Exchange Commission (SEC) and the National Association of Securities Dealers (NASD). The Company is a Florida Corporation.

NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES

Income Taxes - The Company accounts for income taxes under the asset and liability method. Deferred tax assets and liabilities are recognized for future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled.

Depreciation - Depreciation is provided on an accelerated basis using an estimated useful life of five years.

Commissions - Commissions and related clearing expenses are recorded on a trade-date basis as securities transactions occur.

Statement of Cash Flows - For the purposes of the Statement of Cash Flows, the Company has defined cash equivalents as highly liquid investments, with original maturities of less than ninety days, that are not held for sale in the ordinary course of business.

Use of Estimates - The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

NOTE 3 - CASH AND SECURITIES SEGREGATED UNDER FEDERAL AND OTHER REGULATIONS

Because the Company does not carry securities accounts for customers or perform custodial functions relating to customer securities, it is exempt from the requirements under SEC rule 15c3-3 to maintain a special reserve bank account for the benefits of customers

LAFISE SECURITIES CORPORATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2002
(continued)

NOTE 4 - AGREEMENT WITH CLEARING BROKER

The Company has an agreement with another broker dealer to execute and clear all of its customer transactions through that broker-dealer on a fully disclosed basis.

NOTE 5 - NET CAPITAL REQUIREMENTS

The Company is subject to the Securities and Exchange Commission Uniform Net Capital Rule (SEC rule 15c3-1), which requires the maintenance of minimum net capital and requires that the ratio of aggregate indebtedness to net capital both as defined, shall not exceed 15 to 1. At December 31, 2002, the Company had net capital of \$33,580, which was \$ 25,580, in excess of its required net capital of \$5,000. The Company's net capital ratio was 2.41 to 1.

NOTE 6 - INCOME TAXES

The Company files Federal and Florida corporate income tax returns. The Company's effective rate differs from the statutory federal rate primarily as a result of the valuation allowance described below and state income taxes.

Deferred tax assets and liabilities are provided for significant income and expense items recognized in different years for tax and financial reporting purposes and net operating losses available to offset future taxable income.

Deferred tax assets:	
Net operating losses	\$ 8,030
Timing differences, relating to start up costs	<u>615</u>
	8,645
Less valuation allowance	<u>(8,645)</u>
	<u>\$ -</u>

At December 31, 2002, the Company recorded a full valuation allowance for the deferred tax assets as the Company's ability to realize these benefits is not "more likely than not". Accordingly, no deferred tax assets is reported in the accompanying balance sheet at December 31, 2002. The Company has \$41,000 in net operating losses available to reduce future taxable income.

NOTE 7 - RELATED PARTY TRANSACTIONS

Facilities and Employee Service

Personnel and office space are provided by related entity at no charge.



Goldstein Schechter Price Lucas Horwitz & Co., P.A.
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Allan P. Wilson, CPA

February 20, 2003

Board of Directors
Lafise Securities Corporation

INDEPENDENT AUDITOR'S REPORT ON SUPPLEMENTARY INFORMATION
REQUIRED BY RULE 17a-5 OF THE SECURITIES AND
EXCHANGE COMMISSION

We have audited the accompanying financial statements of Lafise Securities Corporation as of and for the year ended December 31, 2002 and have issued our report thereon dated February 20, 2003. Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The information contained in Schedule I is presented for purposes of additional analysis and is not a required part of the basic financial statements, but is supplementary information required by rule 17a-5 under the Securities and Exchange Act of 1934. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Goldstein Schechter Price Lucas Horwitz

GOLDSTEIN SCHECHTER PRICE LUCAS HORWITZ & CO., P.A.

LAFISE SECURITIES CORPORATION
SCHEDULE I
DECEMBER 31, 2002

COMPUTATION OF NET CAPITAL UNDER RULE 15c3-1 of the SECURITIES AND EXCHANGE COMMISSION

Total Stockholders' Equity from Statement of Financial Condition		\$ 37,557
Deduct stockholders's equity not allowable for Net Capital		<u>-</u>
Total stockholders' equity qualified for Net Capital		37,557
Add:		
Liabilities subordinated to claims of general creditors, allowable in computation of net capital		-
Other (deductions) or allowable credits		<u>-</u>
Total capital and allowable subordinated liabilities		\$ 37,557
Deductions and/or charges:		
Non-allowable assets		
Equipment, net	418	
Other assets	<u>3,057</u>	
Other additions and/or allowable credits		<u>3,475</u>
Net capital before haircuts on securities positions		34,082
Haircuts on securities:		
Other securities		<u>502</u>
Net Capital		<u>\$ 33,580</u>
Minimum net capital required		<u>\$ 54</u>
Minimum dollar net capital requirement of reporting broker or dealer and minimum net capital requirement of subsidiaries computed		<u>\$ 5,000</u>
Net capital requirement		<u>\$ 5,000</u>
Excess net capital		<u>\$ 28,580</u>
Excess net capital at 1000%		<u>\$ 33,499</u>
Total Liabilities from Statement of Financial Condition		<u>\$ 811</u>
Total aggregate indebtedness		<u>\$ 811</u>
Percentage of aggregate indebtedness to net capital		<u>2.41%</u>
Reconciliation with Company's computation (included in Part II of Form X-17A-5 as of December 31, 2002.		
Net capital as reported in Company's Part II (unaudited) FOCUS Report		\$ 33,578
Other - Immaterial Difference		<u>2</u>
Net capital per above		<u>\$ 33,580</u>



Goldstein Schechter Price Lucas Horwitz & Co., P.A.

Certified Public Accountants & Consultants

February 20, 2003

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Board of Directors
Lafise Securities Corporation

In planning and performing our audit of the financial statements and supplemental schedule of Lafise Securities Corporation (the "Company") for the year ended December 31, 2002, we considered its internal control, including control activities for safeguarding securities, in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on internal control.

Also, as required by rule 17a-5(g)(1) of the Securities and Exchange Commission (SEC), we have made a study of the practices and procedures followed by the Company including tests of such practices and procedures that we considered relevant to the objectives stated in rule 17a-5(g) in making the periodic computations of aggregate indebtedness (or aggregate debits) and net capital under rule 17a-3(a)(11) and for determining compliance with the exemptive provisions of rule 15c3-3. Because the Company does not carry securities accounts for customers or perform custodial functions relating to customer securities, we did not review the practices and procedures followed by the Company in any of the following:

1. Making quarterly securities examinations, counts, verifications, and comparisons.
2. Recordation of differences required by rule 17a-13.
3. Complying with the requirements for prompt payment for securities under Section 8 of Federal Reserve Regulation T of the Board of Governors of the Federal Reserve System.

The management of the Company is responsible for establishing and maintaining internal control and the practices and procedures referred to in the preceding paragraph. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of controls and of the practices and procedures referred to in the preceding paragraph and to assess whether those practices and procedures can be expected to achieve the SEC's above-mentioned objectives. Two of the objectives of internal control and the practices and procedures are to provide management with reasonable but not absolute assurance that assets for which the Company has responsibility are safeguarded against loss from unauthorized use or disposition and that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of the financial statements in conformity with generally accepted accounting principles. Rule 17a-5(g) lists additional objectives of the practices and procedures listed in the preceding paragraph.

Because of the inherent limitations in internal control or the practices and procedures referred to above, error or fraud may occur and not be detected. Also, projection of any evaluation of them to future periods is subject to the risk that they may become inadequate because of the changes in conditions or that the effectiveness of their design and operation may deteriorate.

Our consideration of internal control would not necessarily disclose all matters in internal control that might be material weaknesses under standards established by the American Institute of Certified Public Accountants. A material weakness is a condition in which the design or operation of the specific internal control components does not reduce to a relatively low level the risk that error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. However, we noted no matters involving internal control, including control activities for safeguarding securities, that we consider to be material weaknesses as defined above.

We understand that practices and procedures that accomplish the objectives referred to in the second paragraph of this report are considered by the SEC to be adequate for its purposes in accordance with the Securities Exchange Act of 1934 and related regulations, and that practices and procedures that do not accomplish such objectives in all material respects indicate a material inadequacy for such purposes. Based on this understanding and on our study, we believe that the Company's practices and procedures were adequate at December 31, 2002, to meet the SEC's objectives.

This report is intended solely for the information and use of the Board of Directors, management, the SEC, and other regulatory agencies that rely on rule 17a-5(g) under the Securities Exchange Act of 1934 in their regulation of registered brokers and dealers, and is not intended to be and should not be used by anyone other than these specified parties.

Goldstein Schechter Price Lucas Horwitz

GOLDSTEIN SCHECHTER PRICE LUCAS HORWITZ & CO., P.A.